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DD/S-55-1102

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JUN 24 1955

The Honorable George H. Mahon
Chairman, Defense Subcommittee
House Appropriations Committee
U. S. House of Representatives
Washington 25, D. C.

Dear Mr. Chairman:

At our Hearing before your Subcommittee on 23 June 1955, in support of an appropriation for the construction of the CIA headquarters installation authorized by Title V of H.R. 6829, we submitted proposed appropriation language which would authorize the financing of this construction by the Central Intelligence Agency through the use of unobligated balances of appropriations made available to the Agency for Fiscal Years 1953 and 1954. There are sufficient unobligated balances available to finance this construction, which balances will otherwise lapse and be covered into the Treasury. However, you requested that we furnish a statement as to the amount of funds which we would expect to obligate during Fiscal Year 1956, in the event the Committee decides to make a new appropriation in lieu of the method of financing from prior year funds which we suggested.

If the Langley site, which we discussed, should be selected, it is estimated that we would require for early obligation the following amounts:

1. Architectural and engineering services and other miscellaneous expenses	$2,400,000
2. For transfer to the N.C.P.C. to acquire the right of way for the extension of the George Washington Memorial Parkway	$ 200,000
3. For transfer to the Department of the Interior for the estimated first year's obligations for the construction of the extension of the George Washington Memorial Parkway	$4,000,000
4. Contingencies	$ 400,000
TOTAL	$7,000,000

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If the Langley site is not selected, we would need an estimated $1,000,000 to acquire a site elsewhere. However, in this event no funds would be needed for the extension of the George Washington Memorial Parkway and, hence, $7,000,000 would be adequate in either case. We would appreciate having the appropriations language sufficiently broad to cover either contingency.

If the Congress approves of this construction, we plan to get on with the work as quickly as possible. We expect to complete our drawings and specifications and to award a contract within about nine months after Congress gives its approval. If the Congress authorizes a new appropriation and appropriates only those funds which we expect to obligate during Fiscal Year 1956, it would be necessary for the Agency to request a supplemental appropriation early next year, since we could not award a contract until such additional funds were appropriated. For this reason, we would greatly prefer the appropriation of the entire amount requested through the use of unobligated funds made available to the Agency for Fiscal Years 1953 and 1954.

I sincerely hope that your Committee will give this matter favorable consideration.

With kindest regards.

Sincerely,

/s/

Allen W. Dulles
Director

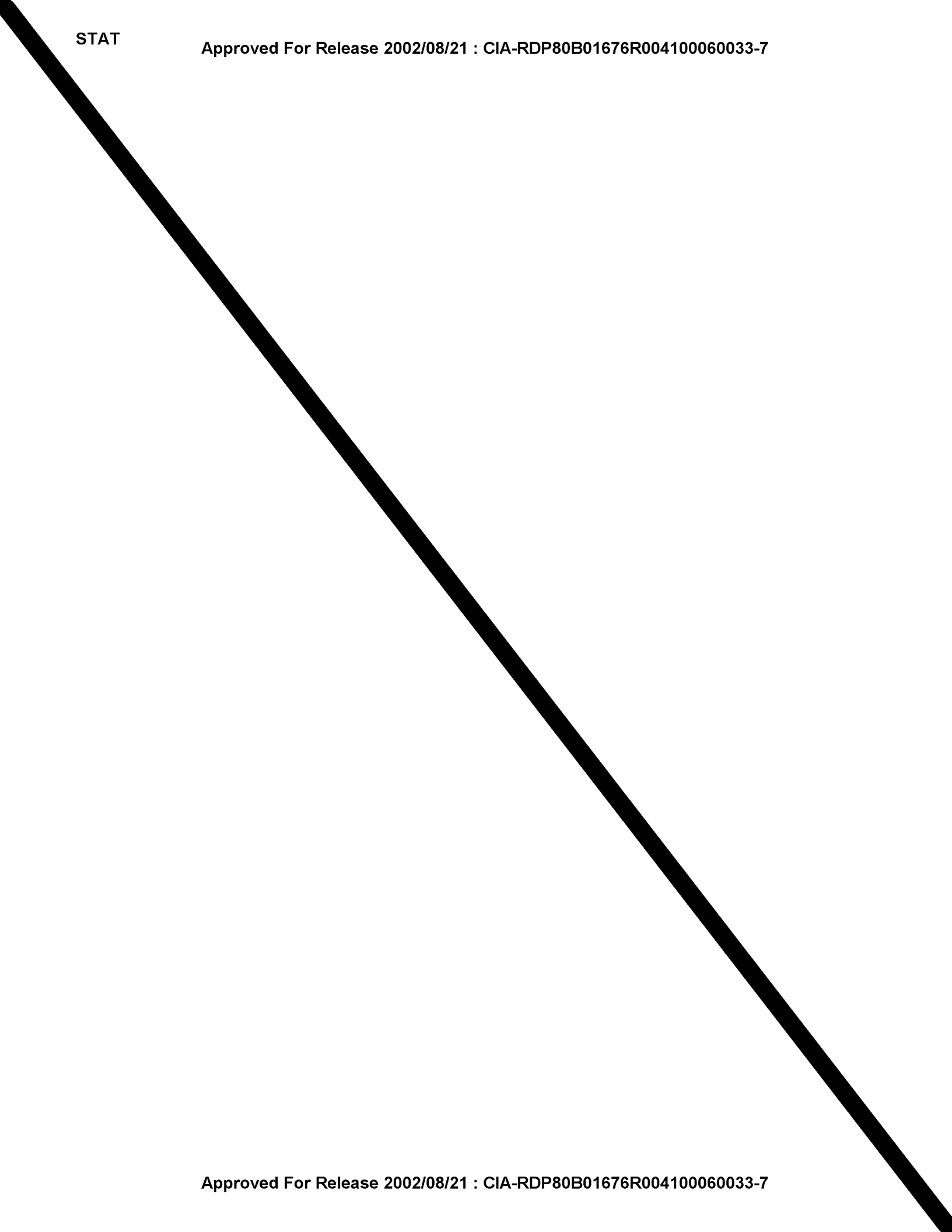
WLP

OGC:WLP/blc (24 June 55)
Orig. & 1 - Add
1 - Mr. Hart Perry, Bureau of the Budget
2 - Signer
2 - Legislative Counsel
2 - DD/S
1 - Logistics
1 - Comptroller

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